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BUSINESS BANKRUPTCY AND BUSINESS FAILURE

Utah, Mountain States Region and the United States

1978 - 1985

Part I

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Introduction

Utah and the Mountain States Region* have suffered high bankruptcy and business failure rates during the early 1980s, but general failure patterns for the state and the region are not alarmingly different than those of other areas of the United States. The peak in bankruptcies and business failures occurred in the aftermath of high business growth rates in the early 1970s, high interest rates, and a slowdown in the national economy.

This two-part article examines the available bankruptcy and business failure data and compares Utah and the Mountain States Region with other states and regions throughout the United States. Part I provides important definitions pertaining to bankruptcy and business failure, explains the sources of data and their inherent weaknesses, describes the different methods of debt resolution, and finally provides business bankruptcy and business failure statistics for the period 1978-1985. Part II will explore the trends associated with business bankruptcy and business failure data, and discuss the external and internal conditions that existed during the 1978-1985 period to explain those causes which contributed to the high bankruptcy and failure rates. (Part II will appear in the September 1985 issue of the *Utah Economic and Business Review*.)

Business Failure Terms

Merchants in medieval Venice conducted business on wooden benches in the town square. When business was poor and capital dried up, creditors sought justice by breaking the merchant's wooden bench, thus putting him out of business. The word "bankrupt" comes from banca rotta, Italian for "broken bench."[1]

Because a variety of terms is used when discussing bankruptcy and business failure, it is necessary to understand how the terms are defined and used in this article.

*The Mountain States Region includes Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada.

Insolvency occurs when the liabilities of a company, excluding equity capital, exceed total assets. The terms "technical insolvency" and "insolvency in bankruptcy" explain insolvency in more specific detail. Technical insolvency occurs when a firm cannot meet current obligations as they come due. This denotes a lack of liquidity, which may only be a temporary state. A firm is insolvent in bankruptcy when total liabilities exceed the true valuation of assets. This condition is much more serious.

The term bankruptcy is used when there is a "legal" recognition that an individual or company is insolvent. Bankruptcy has a more narrow definition than business failure because a business failure does not necessarily involve bankruptcy proceedings. The Administrative Office of the United States Courts in Washington, D.C., uses this narrower definition in their data collection. They compile bankruptcy statistics according to voluntary and involuntary bankruptcy petitions commenced, terminated and pending for a particular period.

The term business failure includes any business which has terminated operations resulting in a loss to the creditors. Business failure is defined as "the cessation of operations by a business concern because of involvement in court procedures or voluntary actions which will result in loss to creditors."[2]

Dun & Bradstreet, the major compiler of business failure statistics, uses the business failure definition in gathering and disseminating data. Their definition specifically states:

> Business failures include those businesses that ceased operations following assignment or bankruptcy; ceased with loss to creditors after such actions as execution, foreclosure or attachment; voluntarily withdrew leaving unpaid obligations; were involved in court actions such as receivership, reorganization or arrangement; or voluntarily compromised with creditors.[3]

The term business discontinuances represents an additional statistical category which pertains to the closure of a business. Business discontinuances are defined as:

> Closures of all kinds without reference to reason for discontinuing—e.g., failure, retirement, illness of proprietor, etc. In fact, a sizeable majority of discontinuances results from factors other than business failure, such as ill health, retirement, death, loss of capital, and inadequate profits, and merger or consolidation with another firm.[4]

Sources of Business Failure Information

Two major sources of bankruptcy and business failure data are the Administrative Office of the United States Courts in Washington, D.C., and The Dun & Bradstreet Corporation, in New York City. The U.S. Small Business Administration in Washington, D.C. provides business bankruptcy information, but the data is largely based on D & B business failure statistics.

United States Court Data

The Bankruptcy Code petition filing data contained in the publication, *Federal Judicial Workload Statistics*, have been compiled by the Statistical Analysis and Reports Division of the Administrative Office of the United States Courts since 1905, and represent the total Bankruptcy Code petitions filed with United States Bankruptcy Courts throughout the U.S. and its territories.

Weaknesses associated with the Courts' statistics diminish the reliability of the data. The Administrative Office of the Courts counts the number of "cases" and not "businesses" in their statistics. As a result, when a partnership files for bankruptcy, each partner could be assigned a case number; consequently, the failed partnership would be counted more than once. Likewise, in the case of large conglomerates, each subsidiary may file separate bankruptcy petitions, similarly distorting the bankruptcy data.

Another weakness in the Courts' data is that the cases are assigned into business and non-business categories by bankruptcy court clerks, or debtor's council. Arbitrary classifications may result which could further distort the true nature of bankruptcy in the particular jurisdiction.

Another shortcoming in the Courts' data is that one small business failure may result in bankruptcy petitions in both the business and non-business bankruptcy categories. This can occur when a business owner becomes personally liable for the business' debts, so that when the business fails he must file both for himself and his business. This further adds to the distortion of the true bankruptcy picture.

Dun & Bradstreet Data

Dun & Bradstreet business failure data have been collected since 1857, and are gathered by reporters located throughout the United States. Data on bankruptcy court actions are obtained from daily checks on court records, and data on non-court actions are obtained from a variety of other sources, including auction and foreclosure notices, local Boards of Trade and Credit Managers Associations, as well as the regular process of interviewing for other D & B business information.[5]

The Dun & Bradstreet business failure analysis includes businesses of all sizes and all types of legal organization; i.e., corporations, partnerships, and individual proprietorships. Major business areas which D & B exclude in their statistics are finance, insurance, real estate, amusement and recreation services, health services, legal services, educational services, social services, museums, membership organizations, private households, and miscellaneous services. Major numerical differences in the statistics obtained from D & B and the United States Courts can be attributed to D & B's exclusion of failure data from the areas mentioned above.[6]

Weaknesses in the Dun & Bradstreet data include the exclusion of the previously mentioned major business areas, the fact that many small businesses are excluded because credit data are unavailable or of minimal importance, and the D & B data base has been shown to include less than a third of the total business population.[7]

The Congressional Research Service, the information and research arm of the United States Congress, after weighing the weaknesses of the two sources has determined that for purposes of analyzing business failures, the Dun & Bradstreet data are superior to the statistics of the Administrative Office of the United States Courts.[8]

Methods of Debt Resolution

There are two major courses of action a debtor and a creditor can take to resolve their financial difficulties. The first course is voluntary and informal between the debtor and the creditor; the second is formal and involves the United States Bankruptcy Court system.

Informal Resolution

If a company is not currently paying debt obligations, but is fundamentally sound and the problem appears to be only temporary, creditors will likely choose to work directly with the company to help it recover. These voluntary plans usually involve "extension," which postpones the date of required payments of past-due obligations, and/or "composition," a situation where creditors voluntarily reduce their claims on the debtor.

Extension and composition are procedures designed to keep the debtor in business and to eliminate high court costs. This method of collection is usually more beneficial to the creditors because they will likely recover more money and in a shorter amount of time than they would from formal bankruptcy proceedings. In addition, if the business is able to recover, a business relationship will continue to exist, thus preserving a customer for the creditor.

One possible disadvantage of voluntary debt repayment is that the current management continues to control company assets. The result may be an erosion of assets, which could leave creditors in a worsened position. If this risk is great, then it is advisable to use the formal procedures provided by the Bankruptcy Code.

Formal Resolution

Bankruptcy is the legal or formal procedure for liquidating or reorganizing a business, with the liquidation or reorganization being carried out under the supervision of the Bankruptcy Court. Bankruptcy can either be voluntary, with the debtor petitioning

the Court for protection; or involuntary, with the creditors petitioning the Court.

The Bankruptcy Reform Act of 1978 (Public Law 95-598) made changes in the Bankruptcy Code altering previous bankruptcy laws.

Chapter 7 - Chapter 7 liquidation is one of three major bankruptcy procedures, and results in the termination of business activity and the liquidation of assets. This chapter is generally utilized when the Bankruptcy Court has established that little or no possibility of recovery exists and that creditors would benefit most from liquidation, or if the company chooses to cease operating.

In the United States between 1979 and 1984, an average of 69.0 percent of the total bankruptcy petition filings were Chapter 7 (Table 1); however, there is a decreasing trend in the use of this type of debt resolution. Chapter 7 petitions as a percentage of the total filings declined during the six-year period. In 1979, 77.1 percent (5,290) of the total petitions were Chapter 7 filings; but in 1984 only 61.5 percent (39,019) of the filings were Chapter 7.

The Mountain Region's Chapter 7 statistics resemble those of the United States. (The nine regions and the states within them are listed below.) In the Mountain Region between 1979 and 1984, Chapter 7 filings comprised an average of 68.8 percent of the total bankruptcy petitions filed (Table 1). The Mountain Region is also experiencing a decline in the percentage of Chapter 7 filings, from 78.6 percent (463) in 1979 to 63.1 percent (4,136) in 1984.

Utah's Chapter 7 statistics differ from those of the Mountain Region and the United States. Between 1979 and 1984, Utah's Chapter 7 filings averaged 62.3 percent of the total number of petitions filed (Table 1), which is 6 to 7 percent lower than the Mountain Region and the U.S. However, Utah's decline is much more significant. In 1979, 76.6 percent (72) of the petitions were Chapter 7 filings; but in 1984 only 49.3 percent (514) of the filings were Chapter 7.

Chapter 9 - Chapter 9, a minor chapter of the Bankruptcy Code, deals with the adjustment of debts of a municipality, and was used only 12 times in the United States between 1979 and 1984. The Mountain Region and Utah have not used this chapter during the 1979-1984 period.

Chapter 11 - Chapter 11 of the new Bankruptcy Code offers debtors an opportunity to reduce or extend their debts in anticipation that once again the company can become a viable financial entity. Congress' underlying belief at the time of the bankruptcy reforms was that because jobs and assets can be preserved, it is more economically efficient to reorganize than to liquidate a business. The survival of the company is considered a benefit, not only to the debtor, but also to creditors, employees, and the general public.

Reorganization under Chapter 11 can be the best formal system of debt repayment for both the creditors and the failing company, allowing the business to continue operating while reorganizing under court protection and supervision. The purpose of the court's protection is to assure that the corporation is preserved as an ongoing business, so that it can eventually be brought out of Chapter 11.[9]

In the United States between 1979 and 1984, an average of 21.1 percent of the total bankruptcy petition filings were Chapter 11 (Table 1); however, this type of debt resolution is growing in popularity. In 1979, 14.7 percent (1,009) of the petitions were Chapter 11 filings; but in 1984 they rose to 27.7 percent (17,589).

The Mountain Region's Chapter 11 statistics are similar to those of the United States. In the Mountain Region between 1979 and 1984, Chapter 11 filings averaged 19.0 percent of the total Bank-

Note: The nine regions and the states in each are as follows: New England – Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut; Middle Atlantic – New York, New Jersey, Pennsylvania; East North Central – Ohio, Indiana, Illinois, Michigan, Wisconsin; West North Central – Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas; South Atlantic – Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida; East South Central – Kentucky, Tennessee, Alabama, Mississippi; West South Central – Arkansas, Louisiana, Oklahoma, Texas; Mountain – Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada; Pacific – Washington, Oregon, California, Hawaii, Alaska.

Table 1
Total Business Bankruptcy Petition Filings
by Chapter of the Bankruptcy Code
the United States, Mountain Region and Utah
1979-1984
(number and percent)

Areas	1979	1980	1981	1982	1983	1984	Average 1979-84
Total United States							
Total Filings	6,857	43,313	47,621	68,477	58,356	63,407	
Chapter 7	5,290	33,574	33,942	44,768	35,637	39,019	
Percent of Total	77.1	77.5	71.3	65.4	61.1	61.5	69.0
Chapter 11	1,009	5,763	8,762	16,364	16,581	17,589	
Percent of Total	14.7	13.3	18.4	23.9	28.4	27.7	21.1
Chapter 13	558	3,975	4,915	7,342	6,135	6,790	
Percent of Total	8.1	9.2	10.3	10.7	10.5	10.7	9.9
Mountain							
Total Filings	589	3,969	4,914	5,804	4,709	6,558	
Chapter 7	463	3,109	3,529	3,598	2,769	4,136	
Percent of Total	78.6	78.3	71.8	62.0	58.8	63.1	68.8
Chapter 11	57	424	718	1,407	1,433	1,587	
Percent of Total	9.7	10.7	14.6	24.2	30.4	24.2	19.0
Chapter 13	69	436	667	799	507	835	
Percent of Total	11.7	11.0	13.6	13.8	10.8	12.7	12.3
Utah							
Total Filings	94	728	942	1,045	558	1,042	
Chapter 7	72	602	673	537	235	514	
Percent of Total	76.6	82.7	71.4	51.4	42.1	49.3	62.3
Chapter 11	8	91	174	377	245	343	
Percent of Total	8.5	12.5	18.5	36.1	43.9	32.9	25.4
Chapter 13	14	35	95	131	78	185	
Percent of Total	14.9	4.8	10.1	12.5	14.0	17.8	12.3

Note: The U.S. has had only 12 Chapter 9 filings between 1979 and 1984. Utah and the Mountain States region have had no Chapter 9 filings during that same period.

Source: Administrative Office of the United States Courts, "Federal Judicial Workload Statistics," December 31, 1978-1984 (Annual).

ruptcy Code petitions filed (Table 1). The use of Chapter 11 filings is likewise increasing in the Mountain Region. In 1979, only 9.7 percent (57) of the petitions were Chapter 11 filings, but in 1984 they comprised 24.2 percent (1,587) of total filings.

Utah's Chapter 11 statistics are slightly higher than those of the Mountain Region and the United States. Between 1979 and 1984, Utah's Chapter 11 filings averaged 25.4 percent of the total number of petitions filed, 4 to 6 percent higher than the Mountain Region or the U.S. (Table 1). Utah is also experiencing the same increasing trend in Chapter 11's use. In 1979, 8.5 percent (8) of the petitions were Chapter 11 filings, compared with 1984's 32.9 percent (343).

Chapter 13 - Chapter 13 garnishment may likewise be chosen as a procedure for debt repayment. In this chapter, all or a percentage of earnings or other income is paid to a trustee who is responsible for executing the repayment plan.

In the United States between 1979 and 1984, an average of 9.9 percent of the total bankruptcy petition filings were Chapter 13 (Table 1). The statistics show only a slight increase in the use of this type of debt resolution. In 1979, 8.1 percent (558) of the petitions were Chapter 13 filings, compared with 1984's 10.7 percent (6,790).

The Mountain Region's use of Chapter 13 of the Bankruptcy Code is slightly higher than the United States. In the Mountain Region between 1979 and 1984, Chapter 13 filings comprised an average of 12.3 percent of the total bankruptcy petitions filed; however, increases were only slight for the six-year period. In 1979, 11.7 percent (69) of the petitions were Chapter 13 filings, compared with 1984's 12.7 percent (835).

Utah's Chapter 13 statistics are more similar to the Mountain Region's higher statistics than to the United States' statistics. Between 1979 and 1984, Utah's Chapter 13 filings averaged 12.3 percent of the total number of petitions filed, virtually the same as the Mountain Region and about 2 percent higher than the U.S. Utah is likewise experiencing the increasing use of Chapter 13 filings, but the data fluctuate. In 1979, 14.9 percent (14) of the petitions were Chapter 13 filings, compared with 1984's high of 17.8 percent (185).

Business Bankruptcy Filings, 1978-1984

The data analyzed in this article have noncorresponding years. Bankruptcy data by chapter is available only for the period between 1979 and 1984, but total bankruptcy filing data is available from 1978 through 1984. Dun & Bradstreet's business failure information is analyzed only for the period between 1980 and 1983.

United States

The United States began the 1978-1984 period with 27,867 business bankruptcy petition filings (Table 2). During 1979, the year the new Bankruptcy Code was enacted (October 1979), the U.S. experienced a 75.4 percent decline in filings. The most significant jump in filings occurred in 1980, the year following the new Code's enactment, with 43,313 filings, a 531.7 percent increase over 1979. Part II will discuss in more detail the impact the Bankruptcy Reform Act of 1978 had on bankruptcy petition filings.

The peak in the number of business bankruptcy petition filings occurred in 1982 with 68,477 filings, a 43.8 percent increase over 1981's 47,621 filings. The number of filings in 1983 decreased 14.8 percent to 58,356, over 1982's 68,477, but filings again rose in 1984 to 63,407, an 8.7 percent increase (Table 2).

Business Bankruptcy Filings 1978 - 1984
1978 = 100

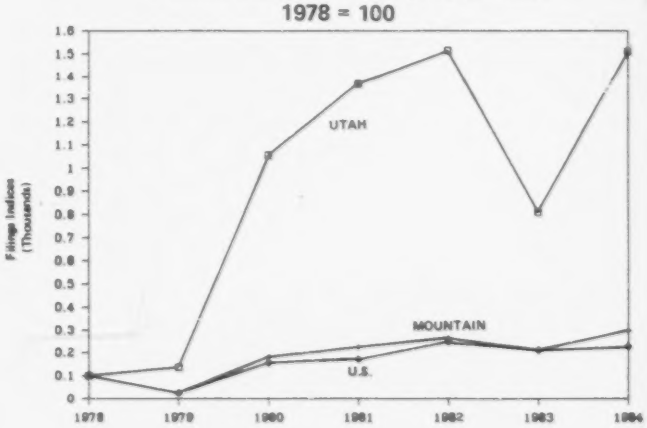


Table 2
Business Bankruptcy Petition Filings for Utah, the Mountain Region and the United States 1978 - 1984

States	Total Filings 1978	Total Filings 1979	Percent Change 1978-1979	Total Filings 1980	Percent Change 1979-1980	Total Filings 1981	Percent Change 1980-1981
Utah	69	94	36.2	728	674.5	942	29.4
Montana	139	23	−83.5	190	726.1	223	17.4
Idaho	220	83	−62.3	468	463.9	374	−20.1
Wyoming	63	7	−88.9	115	1542.9	140	21.7
Colorado	733	109	−85.1	1,104	912.8	1,604	45.3
New Mexico	296	41	−86.1	164	300.0	153	−6.7
Arizona	439	167	−62.0	841	403.6	992	18.0
Nevada	245	65	−73.5	359	452.3	486	35.4
Total Mountain	2,204	589	−73.3	3,969	573.9	4,914	23.8
Total United States	27,867	6,857	−75.4	43,313	531.7	47,621	9.9

	Total Filings 1982	Percent Change 1981-1982	Total Filings 1983	Percent Change 1982-1983	Total Filings 1984	Percent Change 1983-1984
Utah	1,045	10.9	558	−46.6	1,042	86.7
Montana	192	−13.9	271	41.1	216	−20.3
Idaho	421	12.6	615	46.1	667	8.5
Wyoming	243	73.6	368	51.4	447	21.5
Colorado	1,747	8.9	700	−59.9	1,995	185.0
New Mexico	213	39.2	146	−31.5	275	88.4
Arizona	1,312	32.3	1,468	11.9	1,392	−5.2
Nevada	631	29.8	583	−7.6	524	−10.1
Total Mountain	5,804	18.1	4,709	−18.9	6,558	39.3
Total United States	68,477	43.8	58,356	−14.8	63,407	8.7

Note: Data for the remaining eight regions and the states within them are available upon request.

Source: Administrative Office of the United States Courts, "Federal Judicial Workload Statistics," December 31, 1978-1984 (Annual).

Table 3
Business Bankruptcy Petition Filings by Region
Percent Change, 1978-1984

Region	Percent Change 1978-79	Percent Change 1979-80	Percent Change 1980-81	Percent Change 1981-82	Percent Change 1982-83	Percent Change 1983-84	Average Percent Change 1978-84
New England	(81.9)	465.4	(12.7)	38.7	(19.8)	(16.0)	62.3
Middle Atlantic	(81.1)	590.5	(6.4)	40.4	(27.3)	3.0	86.5
South Atlantic	(74.5)	459.5	3.3	45.1	(18.3)	10.4	70.9
East North Central	(67.8)	543.6	(3.3)	59.5	(8.4)	0.2	87.3
West North Central	(72.1)	550.1	(5.7)	54.2	(21.9)	31.4	89.3
East South Central	(73.3)	505.0	28.0	31.7	(30.8)	9.7	78.4
West South Central	(82.3)	521.8	15.0	61.3	9.1	17.7	90.4
Mountain	(73.3)	573.9	23.8	18.1	(18.9)	39.3	93.8
Pacific	(73.9)	536.4	34.7	40.3	(11.4)	(4.0)	87.0
Total U.S.	(75.4)	531.7	9.9	43.8	(14.8)	8.7	84.0

Source: Administrative Office of the United States Courts, "Federal Judicial Workload Statistics", December 31, 1979-1984 (Annual).

Mountain States Region

The Mountain Region ranked first in the average percent change in bankruptcy petition filings between 1978 and 1984, with a 93.8 percent average increase per year (Table 3). Although the Mountain Region's filings were frequently more pronounced than those of all the states combined, the general bankruptcy patterns were the same. Part II of this article will discuss further regional statistics and comparative rankings.

The Mountain Region experienced a decline in bankruptcy filings between 1978 and 1979 similar to that of the United States. The significant drop in filings was likely influenced by the passage of the new Bankruptcy Code which was to go into effect in October 1979. The Mountain Region's filings dropped 73.3 percent from 2,204 failures in 1978 to 589 in 1979 (Table 2). The United States' decline between 1978 and 1979 was 2.1 percent greater. The Mountain Region likewise experienced the same alarming increase in 1980 filings, likely attributable to the new Code's enactment in October 1979; 3,969 filings were recorded for the Mountain Region in 1980, a 573.9 percent rise over 1979's extremely low filing number. In 1981 filings rose 23.8 percent (4,914) over 1980's filings, and 1982's bankruptcies rose again by 18.1 percent to 5,804 filings. Petition filings in 1983 experienced a decline of 18.9 percent (4,709), but 1984's numbers were up again by 39.3 percent (6,558), Table 2.

Utah

The State of Utah ranked seventh out of the 50 states and the District of Columbia for the highest net percent increase in the number of bankruptcy petition filings for the period between 1978 and 1984 (Table 4). Part II of this article contains other state data and additional comparative rankings.

Table 4
Total Business Bankruptcy Petition Filings by State
Ranked According to Net Percent Increase in Bankruptcy Petition Filings
1978-1984

States	Total Filings 1978	Total Filings 1979	Percent Change 1978-1979	Total Filings 1980	Percent Change 1979-1980	Total Filings 1981	Percent Change 1980-1981
1 Wyoming	63	7	-88.9	115	1542.9	140	21.7
2 Hawaii	94	14	-85.1	224	1500.0	249	11.2
3 Vermont	65	8	-87.7	100	1150.0	80	-20.0
4 New Hampshire	108	13	-88.0	159	1123.1	137	-13.8
5 Colorado	733	109	-85.1	1,104	912.8	1,604	45.3
6 Wisconsin	449	85	-81.1	836	883.5	941	12.6
7 Utah	69	94	36.2	728	674.5	942	29.4
8 Oklahoma	618	76	-87.7	587	672.4	481	-18.1
9 Mississippi	259	23	-91.1	176	673.9	319	79.2
10 Montana	139	23	-83.5	190	726.1	223	17.4

States	Total Filings 1982	Percent Change 1981-1982	Total Filings 1983	Percent Change 1982-1983	Total Filings 1984	Percent Change 1983-1984	Net Percent Increase 1978-1984
1 Wyoming	243	73.6	368	51.4	447	21.5	1622.2
2 Hawaii	254	2.0	275	8.3	225	-18.2	1418.1
3 Vermont	139	73.8	106	-23.7	99	-6.6	1085.7
4 New Hampshire	213	55.5	175	-17.8	115	-34.3	1024.6
5 Colorado	1,747	8.9	700	-59.9	1,995	185.0	1007.0
6 Wisconsin	1,839	95.4	1,726	-6.1	1,951	13.0	917.3
7 Utah	1,045	10.9	558	-46.6	1,042	86.7	791.2
8 Oklahoma	999	107.7	830	-16.9	1,057	27.3	684.7
9 Mississippi	473	48.3	354	-25.2	334	-5.6	679.5
10 Montana	192	-13.9	271	41.1	216	-20.3	667.0

Source: Administrative Office of the United States Courts, "Federal Judicial Workload Statistics," December 31, 1978-1984 (Annual).

Table 5
Dun & Bradstreet Business Failure Totals
1980 - 1983

Regions and States	1980	1981	Percent Change 1980-81	1982	Percent Change 1981-82	1983	Percent Change 1982-1983
New England							
Maine	62	72	24.2	94	22.1	90	-4.3
New Hampshire	15	11	-26.7	56	409.1	72	28.6
Vermont	12	25	108.3	14	-44.0	32	128.6
Massachusetts	235	226	-3.8	331	46.5	398	20.2
Connecticut	122	178	45.9	97	-45.5	163	68.0
Rhode Island	18	36	100.0	58	61.1	76	31.0
Total New England	464	553	19.2	650	17.5	831	27.8
Middle Atlantic							
New York	593	823	38.8	1,273	54.7	1,468	15.3
New Jersey	430	521	21.2	512	-1.7	689	34.6
Pennsylvania	557	799	43.4	1,069	33.8	1,192	11.5
Total Mid Atlantic	1,580	2,143	35.6	2,854	33.2	3,349	17.3
South Atlantic							
Maryland	127	177	39.4	193	9.0	313	62.2
Delaware	17	48	182.4	31	-35.4	56	80.6
District of Columbia	na	24	na	47	95.8	61	29.8
Virginia	234	378	61.5	549	45.2	601	9.5
West Virginia	36	136	277.8	241	77.2	259	7.5
North Carolina	194	305	57.2	441	44.6	480	8.8
South Carolina	na	41	na	98	139.0	145	48.0
Georgia	237	283	19.4	550	94.3	459	-16.5
Florida	282	550	95.0	914	66.2	1,425	55.9
Total South Atlantic	1,127	1,942	72.3	3,064	57.8	3,799	24.0
East North Central							
Ohio	432	660	52.8	1,165	76.5	1,467	25.9
Indiana	211	219	3.8	405	84.9	628	55.1
Illinois	653	726	11.2	1,087	49.7	1,445	32.9
Michigan	604	867	43.5	1,216	40.3	1,327	9.1
Wisconsin	191	353	84.8	406	15.0	499	22.9
Total E. No. Central	2,091	2,825	35.1	4,279	51.5	5,366	25.4
West North Central							
Minnesota	280	343	22.5	430	25.4	452	5.1
Iowa	100	252	152.0	179	-29.0	220	22.9
Missouri	112	176	57.1	551	213.1	682	23.8
North Dakota	61	51	-16.4	77	51.0	92	19.5
South Dakota	69	67	-2.9	86	28.4	70	-18.6
Nebraska	119	133	11.8	146	9.8	104	-28.8
Kansas	142	187	31.7	362	83.6	460	27.1
Total W. No. Central	883	1,209	36.9	1,831	51.4	2,080	13.6

Table 5 (continued)

Regions and States	1980	1981	Percent Change 1980-81	1982	Percent Change 1981-82	1983	Percent Change 1982-1983
East South Central							
Kentucky	153	223	45.8	367	64.6	467	27.2
Tennessee	449	603	34.3	814	35.0	989	21.5
Alabama	154	148	-3.9	377	154.7	356	-5.6
Mississippi	85	160	88.2	178	11.3	184	3.4
Total E. So. Central	841	1,134	34.8	1,736	53.1	1,996	15.0
West South Central							
Arkansas	93	138	48.4	170	23.2	216	27.1
Oklahoma	254	216	-15.0	559	158.8	858	53.5
Louisiana	133	205	54.1	328	60.0	589	79.6
Texas	898	1,040	15.8	1,359	30.7	1,980	45.7
Total W. So. Central	1,378	1,599	16.0	2,416	51.1	3,643	50.8
Mountain							
Montana	86	64	-25.6	61	-4.7	106	73.8
Idaho	58	59	1.7	71	20.3	137	93.0
Wyoming	2	2	0.0	31	1450.0	138	345.2
Colorado	133	224	68.4	653	191.5	1,501	129.9
New Mexico	53	80	50.9	217	171.3	163	-24.9
Arizona	16	91	468.8	505	454.9	534	5.7
Utah	28	155	453.6	147	-5.2	338	129.9
Nevada	40	82	105.0	183	123.2	196	7.1
Total Mountain	416	757	82.0	1,868	146.8	3,113	66.6
Pacific							
Washington	696	820	17.8	1,146	39.8	1,222	6.6
Oregon	225	820	264.4	1,174	43.2	1,292	10.1
California	1,849	2,849	54.1	3,673	28.9	4,423	20.4
Alaska	79	54	-31.6	71	31.5	74	4.2
Hawaii	83	89	7.2	146	64.0	145	-0.7
Total Pacific	2,962	4,632	56.4	6,210	34.1	7,156	15.2
Total United States	11,742	16,794	43.0	24,908	48.3	31,333	25.8

Source: The Dun & Bradstreet Corporation, Unpublished data, 1980-1983.

Utah's business bankruptcy filing patterns did not follow those of the Mountain Region or the United States. Only in 1983, did Utah experience a decline in filings. In 1978 when every other state in the nation was experiencing a significant decline in petition filings, Utah had a 36.2 percent increase. Utah's 1980 increase, 674.5 percent, was even more pronounced than the Mountain Region's 573.9 percent rise, and the U.S.'s 531.7 percent increase (Table 2). The largest number of Utah petitions were filed in 1982, with 1,045 filings, a 10.9 percent increase over 1981's 942 bankruptcy petitions.

Dun & Bradstreet Business Failures, 1980-83

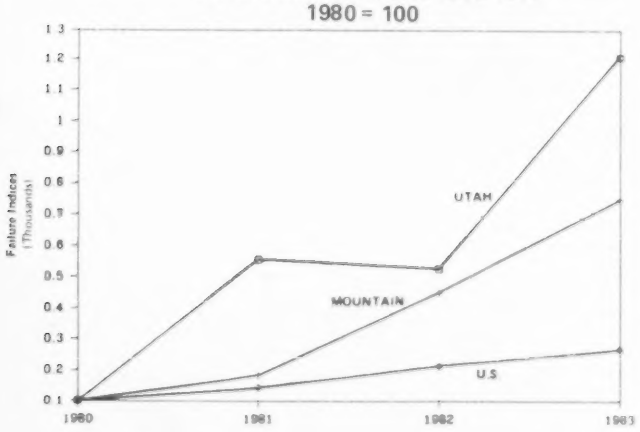
United States

The number of business failures recorded by Dun & Bradstreet for the United States significantly increased each year between 1980 and 1983. During 1980 there were 11,742 failures, and in 1981, there were 16,794 failures, a 43.0 percent increase (Table 5). The year 1982 experienced another significant increase of 48.3 percent with 24,908 filings; and the number of filings peaked in 1983 with 31,333 failures, a 25.8 percent increase over 1982 (Table 5).

Mountain States Region

The Mountain Region was also ranked first in average percent change in the number of business failures per year between 1980 and 1983 (Table 6). Increases in business failures were more significant in the Mountain Region than the United States, but the failure patterns were similar. The Mountain Region recorded 416 business failures in 1980 (Table 5). In 1981 the failures rose sharply to 757, an 82.0 percent increase, but the most alarming percentage increase was experienced in 1982 with 1,868 failures, a 146.8 percent rise. The Mountain Region's 1982 peak in failure rates occurred in the same year as that of the United States. The highest number of Mountain Region failures occurred in 1983 with 3,113 failures, a 66.6 percent increase over 1982's failures (Table 5).

D & B Business Failures 1980-1983
1980 = 100



Utah

Utah ranks third out of the 50 states and the District of Columbia for having the highest net percent increase in the number of business failures between 1980 and 1983 (Table 7). Utah's business failures differed not only in the general pattern over the three years, but its percentage increases were also significantly higher. Utah had 28 business failures in 1980, but that number increased 453.6 percent in 1981 to 155 failures (Table 5). Utah had a slight 5.2 percent decline in 1982, when the region and the nation were experiencing substantial increases, but Utah failures again rose in 1983 by 129.9 percent to

Table 6
Dun & Bradstreet Business Failure Data
by Region, 1980-1983
(Percent Change)

Region	Percent Change 1980-81	Percent Change 1981-82	Percent Change 1982-83	Average Percent Change 1980-83
New England	19.2	17.5	27.8	21.5
Middle Atlantic	35.6	33.2	17.3	28.7
South Atlantic	72.3	57.8	24.0	51.4
East North Central	35.1	51.5	25.4	37.3
West North Central	36.9	51.4	13.6	34.0
East South Central	34.8	53.1	15.0	34.3
West South Central	16.0	51.1	50.8	39.3
Mountain	82.0	146.8	66.6	98.5
Pacific	56.4	34.1	15.2	35.2
Total U.S.	43.0	48.3	25.8	39.0

Source: The Dun & Bradstreet Corporation, Unpublished data, 1980-1983.

Table 7
Dun & Bradstreet Business Failure Totals by State
Ranked According to Net Percent Increase in Business Failure Totals
1980 - 1983

States	1980	1981	Percent Change 1980-1981	1982	Percent Change 1981-1982	1983	Percent Change 1982-1983	Net Percent Increase 1980-1983
1 Wyoming	2	2	0.0	31	1450.0	138	345.2	1795.2
2 Arizona	16	91	468.8	505	454.9	534	5.7	929.4
3 Utah	28	155	453.6	147	−5.2	338	129.9	578.3
4 New Hampshire	15	11	−26.7	56	409.1	72	28.6	411.0
5 Colorado	133	224	68.4	653	191.5	1,501	129.9	389.8
6 West Virginia	36	136	277.8	241	77.2	259	7.5	362.5
7 Oregon	225	820	264.4	1,174	43.2	1,292	10.1	317.7
8 Missouri	112	176	57.1	551	213.1	682	23.8	294.0
9 Nevada	40	82	105.0	183	123.2	196	7.1	235.3
10 Delaware	17	48	182.4	31	−35.4	56	80.6	227.6

Source: The Dun & Bradstreet Corporation, Unpublished data, 1980-1983.

338 failures, a more significant rise than those of the region or the nation.

Business Bankruptcy and Failure Data for 1985

Business bankruptcy and business failure data for 1985 for Utah, the Mountain Region and the United States has not been analyzed in this article. Business failure data from Dun & Bradstreet is not yet available for 1984 or 1985, however 1985 data from the United States Courts is available on a 12-month quarterly basis. Since 1985 data is not yet complete, three Dun & Bradstreet indices have been included to show the national trends in business failures for 1985.

Business Failure Statistics for 1985

Dun & Bradstreet collects data for three indices pertaining to business failure which they publish in a weekly newsletter, *The Dun & Bradstreet Record of Business Closings*.[10] These three five-week moving average indices are: the Business Failures Index; the Business Discontinuances Index; and the Total Business Closings Index. A base period of October 1983 is used, the year D & B's business failures reached their all-time high. The number of business failures, discontinuances, and closings which occurred during that month equal 100.

The Business Failures Index peaked during the week of April 19, 1985 with 109.4 (Table 8). The low for the year was in the first week of January with 70.1. The most recent data available, the week of August 30, 1985, shows business failures at 99.4, 0.6 percent below the base period of October 1983.

The Business Discontinuances Index peaked during the week of May 24, 1985 with 143.7. The low for the year was in the second week of January with 96.5. The week of August 30, 1985 showed discontinuances at 125.3, 25.3 percent above the base period of October 1983.

D & B Business Closings Indices, 1985
October 1983 = 100

The Total Business Closings Index peaked during the week of May 24, 1985 with 126.3. The low for the year was in the second week of January with 81.9. The week of August 30, 1985 showed closings at 112.4, 12.4 percent above the base period of October 1983.

Each of the three indices has shown an increasing trend in failures, discontinuances, and closings since the middle of July, 1985. The fact that these indices are about equal to or greater than the base period, when reported failures reached their high, shows that business failure is still an area which merits the attention of those who are affected by and can influence companies on a path toward failure.

Endnotes

[1]Anna Cifelli, "Management by Bankruptcy," *Fortune*, October 31, 1983, p. 69.

[2]*McGraw-Hill Dictionary of Modern Economics*, 2nd Edition, McGraw Hill, New York, 1973, p. 66.

[3]Julius W. Allen, "Business Failure: A Review of the Concept and Its Significance in the American Economy." The Library of Congress Congressional Research Service, Report No. 81-195 E, September 16, 1981, p. 8.

[4]Allen, pp. 8, 9.

[5]Joseph W. Duncan, The Dun & Bradstreet Corporation, *Private Sector Data on Business Failure*, 1983, p. 30.

[6]Duncan, p. 31.

[7]Allen, pp. 3, 4.

[8]Allen, p. 6.

[9]Fred J. Broviak and Donald E. Hammerstrom, "Chapter 11: Tell It All Before You Fail," *Financial Executive*, November 1983, p. 29.

[10]Economic Analysis Department, The Dun & Bradstreet Corporation, *The Dun & Bradstreet Record of Business Closings*, 1985 weekly newsletters.

Table 8
Dun & Bradstreet Business Closings Indices for 1985*
(Five-Week Moving Average)

Week	Business Failure Index	Business Discontinuance Index	Total Business Closings
January 4	70.1	102.9	86.5
January 11	67.4	96.5	81.9
January 18	71.4	97.7	84.6
January 25	73.7	97.2	85.5
February 1	81.6	111.8	96.7
February 8	90.3	128.1	109.2
February 15	94.2	132.1	113.2
February 22	91.4	133.2	112.4
March 1	92.7	136.5	114.6
March 8	94.4	137.7	116.1
March 15	94.8	133.4	114.1
March 22	94.9	134.0	114.5
March 29	102.3	138.4	120.4
April 5	106.9	141.5	124.3
April 12	107.8	134.9	121.4
April 19	109.4	135.1	122.2
April 26	107.0	135.9	121.5
May 3	108.7	138.9	123.6
May 10	106.5	141.0	123.8
May 17	107.7	142.0	124.9
May 24	108.7	143.7	126.3
May 30	107.4	140.2	123.8
June 7	103.1	136.8	119.9
June 14	104.0	129.6	116.9
June 21	101.3	128.9	115.1
June 28	98.6	124.7	111.6
July 5	98.7	126.7	112.7
July 12	97.7	122.1	109.9
July 19	93.8	119.3	106.6
July 26	94.9	121.0	108.0
August 2	93.6	123.9	108.8
August 9	97.5	124.7	111.1
August 16	98.5	125.6	112.1
August 23	98.7	125.9	112.3
August 30	99.4	125.3	112.4

*100 = Average for the Base Period October 1983

Source: Economic Analysis Department, The Dun & Bradstreet Corporation, "The Dun & Bradstreet Record of Business Closings," 1985 weekly newsletter.

Note: As two sets of statistics for both Utah and the nation appear in this issue the data for May for the U.S. appear here and the month of June is presented on page 20.

NATIONAL DATA

	May 1985	May 1984	% Change from Year Ago	12 Month Average 1985	12 Month Average 1984	% Chg.
U.S. Gross National Product[1] (seasonally adjusted)(bil.)(qtly.)	3,870.2[e]	3,644.7	6.2	3,764.7	3,462.6	8.7
Total Personal Income[1] (seasonally adjusted)(bil. of dol.)	3,164.3[r]	2,978.8	6.2	3,102.2	2,853.5	8.7
Industrial Production Indexes (seasonally adjusted)(1977=100)	124.3[r]	162.8	2.5	123.5	115.6	6.8
Total Bus. Expend. for New Plants & Equip.[1] (bil.)(qtly.)	385.3[ra]	348.3	10.6	368.1	325.7	13.0
Index of Leading Indicators[2] (1967=100)	167.4	168.3	-0.5	165.9	163.3	1.6
Price Indexes						
Consumer Price Indexes (not seasonally adjusted)(1967=100):						
CPI-U (All Urban Consumers) All Items	321.3	309.7	3.7	315.8	303.9	3.9
CPI-U (All Urban Consumers) Food & Beverages	301.0	293.6	2.5	298.2	288.8	3.2
CPI-U (All Urban Consumers) Housing	348.5	334.6	4.2	341.9	328.3	4.2
CPI-U (All Urban Consumers) Transportation	321.4	312.2	2.9	315.6	305.2	3.4
CPI-U (All Urban Consumers) Medical Care	399.5	376.8	6.0	388.6	366.5	6.0
CPI-U (All Urban Consumers) Energy	431.7	426.1	1.3	423.3	423.5	-0.1
Producer Price Index (not seasonally adjusted)(1967=100):						
Producer Price Index, All Finished Goods	294.2	291.1	1.1	292.1	288.1	1.4
GNP Price Deflator (1972=100)(qtly.)	230.9[e]	222.3	3.9	227.0	218.6	3.8
Employment (seasonally adjusted):						
Civilian Labor Force (mil.)	115.4	113.8	1.4	114.5	112.4	1.9
Total Employed Persons (mil.)	107.0	105.3	1.6	106.1	102.8	3.2
Unemployment Rate	7.3	7.5	-2.7	7.3	8.5	-14.4
Construction:						
Total Construction (mil. of dol.)	21,832.0	21,989.5	-0.7	17,840.8	17,078.5	4.5
Residential	10,330.7	10,831.3	-4.6	8,294.8	8,539.4	-2.9
Nonresidential	7,351.0	7,275.3	1.0	6,360.8	5,590.1	13.8
Non-Building	4,150.3	3,882.9	6.9	3,185.2	2,969.9	7.2
New Dwelling Units (no.)	167,797	184,953	-9.3	140,071.7	154,162.1	-9.1
Interest Rates:						
Short Term (3-month Treasury Bill rate)	7.56	9.90	-23.6	9.0	9.1	-1.6
Long Term (30-year Treasury Bond yields)	10.96	12.89	-15.0	11.7	11.5	2.0
Prime Rates Charged by Banks on Short-term Business Loans (ave.)	10.31	12.39	-16.8	11.6	11.1	4.5
Mortgage Rates (new homes)	11.55	11.68	-1.1	11.8	11.8	0.1

[p]Preliminary [r]Revised na - Not available [a]Anticipated [ra]Revised Anticipated [e]Expected [f]Forecasted

FOOTNOTES:

[1]The series on expenditures for new plant and equipment by U.S. nonfarm business has been revised for the period 1947 to date. These revisions reflect the source agency's introduction of new benchmarks, incorporation of information not available when the previously published estimates were prepared, and updating of industry and size classifications. Further information concerning these revisions may be obtained from the U.S. Department of Commerce, Bureau of Economic Analysis, Business Outlook Division, Business Conditions Digest, April 1985, p. iv.

[2]Excluding Series 36, 111.

Sources:

Business Conditions Digest, U.S. Department of Commerce: U.S. Gross National Product, Total National Personal Income, Industrial Production Indexes, Total Business Expenditures for New Plant and Equipment, Index of Leading Indicators, GNP Price Deflator, National Employment Data, Interest Rates.

F. W. Dodge Report, McGraw-Hill: National Construction Data.

Monthly Labor Review, U.S. Department of Labor: Producer Price Indexes.

Survey of Current Business, U.S. Department of Commerce: New Home Mortgage Rates.

Utah Labor Market Report, Utah Department of Employment Security: Consumer Price Indexes (data from Bureau of Labor Statistics).

Utah Business Statistics

UTAH DATA	Nov 1985	May 1984	% Change from Year Ago	12 Month Average 1985	12 Month Average 1984	% Chg.
Total Personal Income (seasonally adjusted)(mil. of dol.)(qtly.)	na	15,976	na	na	15,246.7	na
New Corporations (no.)	486	493	-1.4	460.8	493.0	-6.5
New Cars, Truck and Motorhome Sales (no.)	na	7,875	na	na	6,006.9	na
Agriculture						
Average Prices Recorded by Farmers (dol.):						
Beef Steers and Heifers (cwt)(thous.)	56.30	61.80	-8.9	59.4	56.2	5.7
Lambs (cwt)	57.50	60.60	-5.1	58.9	51.4	14.5
Milk Wholesale (cwt)	12.00	12.40	-3.2	12.9	12.9	0.3
Alfalfa Hay, Baled (per ton)(mid-month price)	74.00	88.00	-15.9	75.1	82.7	-9.2
Cattle Slaughtered (live weight)(thous. of lbs.)	33,446	27,033	23.7	31,459.3	25,592.8	22.9
Construction						
Total Construction[1] (thous. of dol.):	144,500	176,600	-18.2	124,533.3	146,533.3	-15.0
Residential	96,400	97,200	-2.9	63,408.3	67,316.7	-5.8
Nonresidential	38,500	55,000	-30.0	35,616.7	39,725.0	-10.3
Public Works and Utilities	11,600	24,300	-52.3	25,483.3	37,466.7	-32.0
Total Permit Construction[2](thous. of dol.):	128,078.0	174,493.2	-26.6	122,252.7	107,377.2	13.9
Residential	73,622.9	77,318.3	-4.8	63,607.2	60,808.5	4.6
Nonresidential	33,372.9	73,993.1	-54.9	44,676.2	32,511.2	37.4
Additions, Alterations and Repairs	21,082.2	23,181.8	-9.1	13,969.3	14,057.5	-0.6
New Dwelling Units (no.)	2,108	1,553	35.6	1,578.3	1,320.6	19.5
Employment						
Civilian Labor Force (thous.)	737.0[r]	719.4	1.6	733.2	700.6	4.7
Total Employed Persons	686.2[r]	674.3	1.8	685.6	646.0	6.1
Unemployed Persons	44.3[r]	45.1	-1.8	47.6	54.6	-12.8
Percent Total Labor Force	6.1[r]	6.3	-3.2	6.5	7.8	-16.9
Employees on Nonagricultural Payrolls (thous. of jobs):	622.6	597.9	4.1	613.5	580.8	5.6
Manufacturing	96.1	93.9	2.3	95.7	89.7	6.8
Mining	9.8	13.5	-28.9	11.4	14.0	-18.7
Contract Construction	35.4	33.7	5.0	36.5	31.0	17.6
Transportation, Communication and Utilities	36.7	36.3	1.1	36.5	36.3	0.6
Wholesale Trade	35.7	34.4	3.8	35.4	34.4	2.8
Retail Trade	111.4	104.5	6.6	109.2	101.6	7.5
Finance, Insurance and Real Estate[3]	31.1	29.7	4.7	30.5	28.7	6.2
Services	126.9	117.7	7.8	125.4	115.5	8.6
Federal Government	39.5	37.6	5.1	38.1	37.1	2.7
State Government[4]	36.8	36.1	1.9	35.3	34.6	1.9
Local Government[4]	63.4	60.5	4.8	59.6	58.0	2.8
Average Weekly Hours:						
Manufacturing	40.3	39.6	1.8	39.9	40.1	-0.5
Mining	44.0	44.0	0.3	43.8	42.3	3.6
Contract Construction	36.9	38.5	-4.2	38.2	37.6	1.6
Wholesale Trade	35.7	36.5	-2.2	36.5	37.5	-2.6
Retail Trade	28.5	28.8	-1.0	28.8	29.0	-0.6
Amount of Unemployment Compensation (thous. of dol.)	6,575.1[p]	5,486.9	18.9	6,664.5	6,568.4	1.6
Finance						
Savings, Savings and Loan Association (mil. of dol.)	2,326.9	2,033.2	14.4	2,227.3	1,890.3	17.8
Tax Collections by the State of Utah (thous. of dol.):						
Total Tax Collections	259,824.9	243,863.9	6.5	121,710.7	103,585.7	17.5
Sales and Use Tax	114,986.6	99,252.5	15.9	45,049.5	35,937.5	25.4
Motor Fuel Tax	11,437.9	5,061.8	126.0	7,380.2	5,499.7	34.2
Individual Income Tax	70,909.5	68,237.7	3.9	36,133.6	32,388.7	11.6
Corporation Franchise Tax	10,433.4	10,262.5	1.7	4,638.6	3,554.6	30.5
Production						
Net Electric Power Utilized[5](mil. of kwh)	1,077.0	1,123.1	-4.1	1,115.1	1,133.4	-1.6
Crude Oil to Refineries (thous. of bbls.)	4,585.5	4,595.1	-0.2	4,234.0	4,250.8	-0.4
Crude Oil (thous. of bbls.)	na	3,338.0	na	na	2,531.5	na
Natural Gas (mil. of cu. ft.)	na	14,128.1	na	na	8,921.7	na
Coal (thous. short tons)	808	1,034	-21.9	985.9	991.8	-0.6
Copper (thous. metric tons) (last issue containing copper data)						
Tourism/Travel						
Air Passengers (total no. on and off)(S.L. Int'l. Airport)	761,877	583,552	30.6	675,276.7	588,414.8	14.8
Highway Traffic Count Across State Lines	36,697	35,735	2.7	33,888.2	34,485.3	-1.7
Transient Room Taxes (thous. of dol.)	1,343.9	1,169.4	14.9	409.5	348.5	17.5
Visits, State, Nat'l. Parks, Monuments (thous.)	na	1,300.4	na	na	926.7	na
Utilities						
Telephone Lines in Service (Mt. Bell)(residential)	458,880	449,743	2.0	455,894.9	447,164.5	2.0
Telephone Lines in Service (Mt. Bell)(nonresidential)	166,260	162,158	2.5	164,968.8	155,842.2	5.9
Electric Customers (residential)	437,980	424,152	3.3	430,993.9	413,937.7	4.1
Electric Customers (commercial)	42,981	41,348	3.9	42,071.3	39,901.0	5.4
Natural Gas Customers (residential & commercial)	421,960	411,261	2.6	416,684.8	406,985.3	2.4
Natural Gas Customers (industrial)	562	530	6.0	531.7	528.4	0.6

Utah Business Statistics

	June 1985	June 1984	% Change from Year Ago	12 Month Average 1985	12 Month Average 1984	% Chg.
Davis County						
Non-Ag. Employment (thous.)	52.0	49.6	4.8	50.3	47.4	6.1
Unemployment Rate	3.9	4.7	-17.0	4.2	5.8	-27.7
Auth. Permit Construction (thous. of dol.)	15,967.9	19,998.3	-20.2	10,728.9	11,226.9	-4.4
New Dwelling Units (no.)	176	563	-68.7	136.8	196.0	-30.2
Postal Receipts[6] (thous. of dol.)	313.2	281.4	11.3	340.8	322.1	5.8
Electric Customers (residential)	32,462	30,569	6.2	32,506.3	30,109.7	8.0
Electric Customers (commercial)	2,417	2,306	4.8	2,428.3	2,293.0	5.9
Natural Gas Customers (residential)	44,023	42,147	4.5	43,233.4	41,573.8	4.0
Natural Gas Customers (industrial)	50	45	11.1	46.8	44.4	5.4
Telephone Lines in Service (Mt. Bell)(residential)	39,229	37,815	3.7	38,597.5	37,598.5	2.7
Telephone Lines in Service (Mt. Bell)(nonresidential)	7,568	6,862	10.3	7,303.9	6,638.7	10.0
Salt Lake County						
Non-Ag. Employment (thous.)	327.4	316.5	3.4	320.9	304.7	5.3
Unemployment Rate	6.0	5.7	5.3	6.1	7.0	-12.5
Auth. Permit Construction (thous. of dol.)	46,669.9	74,297.9	-37.2	61,532.2	53,399.7	15.2
New Dwelling Units (no.)	445	1,633	-72.7	834.9	724.6	15.2
Postal Receipts[6] (thous. of dol.)	6,307.4	5,504.7	14.6	6,807.0	6,294.7	8.1
Electric Customers (residential)	221,951	215,263	3.1	218,522.8	208,282.2	4.9
Electric Customers (commercial)	18,495	17,939	3.1	18,218.0	16,859.4	8.1
Natural Gas Customers (residential)	203,457	198,022	2.7	202,105.5	195,583.8	3.3
Natural Gas Customers (industrial)	269	239	12.6	244.8	239.8	2.1
Telephone Lines in Service (Mt. Bell)(residential)	215,854	211,079	2.3	214,218.4	209,788.8	2.1
Telephone Lines in Service (Mt. Bell)(nonresidential)	109,512	107,808	1.6	108,609.8	103,445.2	5.0
Utah County						
Non-Ag. Employment (thous.)	69.9	66.9	4.5	70.2	66.2	6.0
Unemployment Rate	6.7	6.1	9.8	7.0	7.7	-8.1
Auth. Permit Construction (thous. of dol.)	8,801.1	13,409.5	-34.4	13,287.1	10,217.1	30.0
New Dwelling Units (no.)	102	219	-53.4	89.6	122.8	-27.0
Postal Receipts[6] (thous. of dol.)	845.8	669.8	26.3	883.7	788.9	12.0
Electric Customers (residential)	47,409	46,530	1.9	47,780.3	46,624.5	2.5
Electric Customers (commercial)	5,661	5,499	2.9	5,620.3	5,434.8	3.4
Natural Gas Customers (residential)	58,111	56,964	2.0	58,103.1	56,641.4	2.6
Natural Gas Customers (industrial)	72	67	7.5	67.8	65.3	3.7
Telephone Lines in Service (Mt. Bell)(residential)	59,256	58,706	0.9	60,825.1	60,141.5	1.1
Telephone Lines in Service (Mt. Bell)(nonresidential)	14,650	14,422	1.6	14,642.9	13,670.3	7.1
Weber County						
Non-Ag. Employment (thous.)	56.2	53.2	5.6	54.9	51.4	6.8
Unemployment Rate	5.9	6.4	-7.8	6.5	8.5	-23.6
Auth. Permit Construction (thous. of dol.)	11,191.5	7,091.8	57.8	8,465.5	10,846.7	-22.0
New Dwelling Units (no.)	88	76	15.8	77.0	69.3	11.1
Postal Receipts[6] (thous. of dol.)	538.8	449.1	20.0	580.8	555.5	4.6
Electric Customers (residential)	50,086	49,749	0.7	50,352.1	49,649.9	1.4
Electric Customers (commercial)	4,583	4,434	3.4	4,547.7	4,419.7	2.9
Natural Gas Customers (residential)	46,833	46,098	1.6	46,637.7	45,829.1	1.8
Natural Gas Customers (industrial)	85	78	9.0	76.5	77.0	-0.6
Telephone Lines in Service (Mt. Bell)(residential)	44,956	44,376	1.3	44,734.1	44,065.9	1.5
Telephone Lines in Service (Mt. Bell)(nonresidential)	10,349	10,228	1.2	10,264.0	9,980.1	2.8

Sources:
Personal Income: Bureau of Economic Analysis, U.S. Department of Commerce
New Corporations: Utah Secretary of State
New Cars and Truck Sales: Utah State Tax Commission, Economic and Statistical Unit
Agriculture: U.S. Department of Agriculture, Agriculture, Utah: Utah Crop and Livestock Reporting Service (U.S. Department of Agriculture)
Construction Data: F.W. Dodge and Utah Construction Report
Employment Data: Utah Department of Employment Security
Savings, Savings and Loan Associations: Utah Savings and Loan Institutions
Tax Collections: Utah State Tax Commission
Net Electric Power Utilized: Cooperating Utah power companies
Crude Oil: Area oil refineries
Natural Gas: Utah Division of Oil, Gas, and Mining
Coal: Department of Energy
Air Passengers: Salt Lake International Airport, Statistics Service
Highway Traffic Count: Utah Department of Transportation, Travel Analysis Unit
Visits to State and National Parks and Monuments: U.S. Forest Service, Utah State Parks and Recreation Department
Utilities Data: Cooperating Utah utility companies
Postal Receipts: Postmasters in Davis, Salt Lake, Utah, and Weber Counties

Footnotes:
[1]Obtained from F.W. Dodge Statistics
[2]Obtained from Utah Construction Report
[3]Includes services by nonprofit and religious institutions
[4]Includes public schools and colleges institutions
[5]Beginning January 1984, the Net Electric Power utilized number includes the addition of Murray City Power Department's electric power utilization. This will cause an overstatement of the percent change in the 12-month average from 1983 to 1984.
[6]Postal receipts are reported every four weeks. Sales report for one month during each year includes total sales of two four-week periods. In 1984, this double-reporting occurred in the month of August.

Utah Business Statistics

UTAH DATA	June 1985	June 1984	% Change from Year Ago	12 Month Average 1985	12 Month Average 1984	% Chg.
Total Personal Income (seasonally adjusted)(mil. of dol.)(qtly.)	na	15,976	na	na	15,372.8	na
New Corporations (no.)	422	476	-11.3	456.3	489.5	-6.8
New Cars, Truck and Motorhome Sales (no.)	na	7,369	na	na	6,087.7	na
Agriculture						
Average Prices Recorded by Farmers (dol.):						
Beef Steers and Heifers (cwt)(thous.)	55.50	62.10	-10.6	58.9	56.6	4.1
Lambs (cwt)	66.00	54.10	22.0	59.8	51.6	15.9
Milk Wholesale (cwt)	11.30	12.20	-7.4	12.8	12.9	-0.1
Alfalfa Hay, Baled (per ton)(mid-month price)	76.00	83.00	-8.4	74.5	82.8	-10.1
Cattle Slaughtered (live weight)(thous. of lbs.)	28,693	30,148	-4.8	31,338.1	26,115.9	20.0
Construction						
Total Construction[1] (thous. of dol.):	129,600	130,200	-0.5	124,483.3	142,683.3	-12.8
Residential	58,600	74,600	-21.4	62,075.0	67,075.0	-7.5
Nonresidential	56,000	27,400	104.4	38,000.0	37,700.0	0.8
Public Works and Utilities	15,100	28,100	-46.3	24,400.0	35,875.0	-32.0
Total Permit Construction[2](thous. of dol.):	108,120.2	155,139.9	-30.3	118,334.4	110,857.8	6.7
Residential	59,200.9	97,037.5	-39.0	60,454.2	62,062.3	-2.6
Nonresidential	35,502.0	44,873.6	-20.9	43,895.2	34,393.2	27.6
Additions, Alterations and Repairs	13,417.3	13,228.8	1.4	13,985.0	14,402.3	-2.9
New Dwelling Units (no.)	1,150	2,836	-59.4	1,437.8	1,380.9	4.1
Employment						
Civilian Labor Force (thous.)	741.9r	729.7	1.7	734.2	703.2	4.4
Total Employed Persons	697.4r	684.9	1.8	686.6	650.7	5.5
Unemployed Persons	44.5r	44.8	-0.7	47.6	52.5	-9.3
Percent Total Labor Force	6.0r	6.1	-1.6	6.5	7.5	-13.4
Employees on Nonagricultural Payrolls (thous. of jobs):	624.0r	603.7	3.4	615.2	584.2	5.3
Manufacturing	96.2r	95.1	1.2	95.8	90.5	5.9
Mining	9.7r	13.5	-28.1	11.1	14.0	-21.0
Contract Construction	37.7r	36.7	2.7	36.6	31.6	15.8
Transportation, Communication and Utilities	36.9r	36.5	1.1	36.5	36.3	0.6
Wholesale Trade	36.0r	34.8	3.4	35.5	34.5	2.9
Retail Trade	111.6r	106.4	4.9	109.6	102.2	7.2
Finance,[3] Insurance and Real Estate	31.2r	30.2	3.3	30.6	28.9	5.8
Services	129.5r	120.3	7.6	126.2	116.3	8.5
Federal Government	39.5r	37.8	4.5	38.2	37.1	3.1
State Government[4]	34.5r	34.1	1.2	35.3	34.7	1.9
Local Government	61.4r	58.3	5.3	59.9	58.1	3.1
Average Weekly Hours:						
Manufacturing	40.5	39.6	2.3	40.0	40.1	-0.4
Mining	45.5	41.3	10.2	44.2	42.3	4.5
Contract Construction	38.3	38.7	-1.0	38.2	37.7	1.3
Wholesale Trade	35.8	37.3	-4.0	36.4	37.5	-2.9
Retail Trade	29.7	29.5	0.7	28.8	29.0	-0.6
Amount of Unemployment Compensation (thous. of dol.)	5,639.9	4,166.3	35.4	6,587.3	6,183.8	6.5
Finance						
Savings, Savings and Loan Association (mil. of dol.)	2,435.9	2,005.4	21.5	2,263.2	1,911.2	18.4
Tax Collections by the State of Utah (thous. of dol.):						
Total Tax Collections	135,750.6	141,469.4	-4.0	121,234.1	109,583.4	10.6
Sales and Use Tax	55,169.9	54,939.9	0.4	45,068.7	40,051.7	12.5
Motor Fuel Tax	11,413.9	10,638.4	7.3	7,444.8	5,748.2	29.5
Individual Income Tax	28,223.9	25,242.5	11.8	36,382.1	32,357.7	12.4
Corporation Franchise Tax	1,882.4	4,374.0	-57.0	4,431.0	3,758.3	17.9
Production						
Net Electric Power Utilized[5](mil. of kwh)	1,081.7	1,115.8	-3.1	1,112.2	1,136.7	-2.1
Crude Oil to Refineries (thous. of bbls.)	4,253.3	4,412.3	-3.6	4,220.8	4,266.2	-1.1
Crude Oil (thous. of bbls.)	na	3,876.5	na	na	2,654.7	na
Natural Gas (mil. of cu. ft.)	na	15,971.9	na	na	9,632.4	na
Coal (thous. short tons)	892	1,101	-19.0	968.5	1,005.2	-3.6
Copper (thous. metric tons) (last issue containing copper data)						
Tourism/Travel						
Air Passengers (total no. on and off)(S.L. Int'l. Airport)	866,931	676,615	28.1	691,136.3	591,800.2	16.8
Highway Traffic Count Across State Lines	46,360	42,527	9.0	34,207.6	34,454.5	-0.7
Transient Room Taxes (thous. of dol.)	64.1	51.6	24.2	410.5	343.2	19.6
Visits, State, Nat'l. Parks, Monuments (thous.)	na	1,813.1	na	na	931.8	na
Utilities						
Telephone Lines in Service (Mt. Bell)(residential)	457,495	448,087	2.1	456,678.9	447,844.0	2.0
Telephone Lines in Service (Mt. Bell)(nonresidential)	167,042	163,106	2.4	165,296.8	156,940.9	5.3
Electric Customers (residential)	434,217	422,992	2.7	431,929.3	415,673.9	3.9
Electric Customers (commercial)	42,608	41,444	2.8	42,168.3	40,127.9	5.1
Natural Gas Customers (residential & commercial)	419,992	409,923	2.5	417,523.8	407,903.3	2.4
Natural Gas Customers (industrial)	580	530	9.4	535.8	527.1	1.7

Utah Business Statistics

	May 1985	May 1984	% Change from Year Ago	12 Month Average 1985	12 Month Average 1984	% Chg.
Davis County						
Non-Ag. Employment (thous.)	51.4	48.8	5.3	50.1	47.1	6.3
Unemployment Rate	3.8[p]	4.6	-17.4	4.3	6.1	-29.7
Auth. Permit Construction (thous. of dol.)	10,357.2	14,681.8	-29.5	11,064.8	10,760.9	2.8
New Dwelling Units (no.)	113	175	-35.4	169.0	165.0	2.4
Postal Receipts[6] (thous. of dol.)	331.7	296.1	12.0	338.1	321.0	5.3
Electric Customers (residential)	34,328	30,577	12.3	32,348.5	30,015.0	7.8
Electric Customers (commercial)	2,524	2,314	9.1	2,419.0	2,290.3	5.6
Natural Gas Customers (residential)	44,110	42,312	4.2	43,077.1	41,446.1	3.9
Natural Gas Customers (industrial)	49	45	8.9	46.4	44.4	4.5
Telephone Lines in Service (Mt. Bell)(residential)	39,168	37,821	3.6	38,479.7	37,577.5	2.4
Telephone Lines in Service (Mt. Bell)(nonresidential)	7,518	6,846	9.8	7,245.1	6,606.7	9.7
Salt Lake County						
Non-Ag. Employment (thous.)	324.2	312.6	3.7	320.0	302.9	5.7
Unemployment Rate	5.8[p]	6.2	-6.5	6.1	7.3	-16.7
Auth. Permit Construction (thous. of dol.)	62,618.4	73,862.9	-15.2	63,834.5	51,261.2	24.5
New Dwelling Units (no.)	1,424	896	58.9	933.9	696.9	34.0
Postal Receipts[6] (thous. of dol.)	6,811.5	6,257.8	8.8	6,740.1	6,251.5	7.8
Electric Customers (residential)	220,184	215,690	2.1	217,965.4	206,936.1	5.3
Electric Customers (commercial)	18,349	17,889	2.6	18,171.7	16,669.5	9.0
Natural Gas Customers (residential)	205,069	198,316	3.4	201,652.6	195,059.9	3.4
Natural Gas Customers (industrial)	263	238	10.5	242.3	240.5	0.7
Telephone Lines in Service (Mt. Bell)(residential)	216,090	211,392	2.2	213,820.5	209,453.8	2.1
Telephone Lines in Service (Mt. Bell)(nonresidential)	109,021	107,343	1.6	108,467.8	102,648.6	5.7
Utah County						
Non-Ag. Employment (thous.)	68.7	65.8	4.4	69.9	65.8	6.3
Unemployment Rate	6.8[p]	6.7	1.5	7.0	8.0	-12.3
Auth. Permit Construction (thous. of dol.)	12,193.9	17,785.4	-31.4	13,671.1	10,049.9	36.0
New Dwelling Units (no.)	128	211	-39.3	99.3	113.9	-12.8
Postal Receipts[6] (thous. of dol.)	916.3	743.9	23.2	869.0	788.3	10.2
Electric Customers (residential)	49,390	46,855	5.4	47,707.1	46,418.1	2.8
Electric Customers (commercial)	5,830	5,467	6.6	5,606.8	5,427.6	3.3
Natural Gas Customers (residential)	58,159	57,235	1.6	58,007.5	56,516.8	2.6
Natural Gas Customers (industrial)	71	67	6.0	67.3	65.4	2.9
Telephone Lines in Service (Mt. Bell)(residential)	59,510	58,904	1.0	60,779.3	60,057.7	1.2
Telephone Lines in Service (Mt. Bell)(nonresidential)	14,631	14,181	3.2	14,623.9	13,555.5	7.9
Weber County						
Non-Ag. Employment (thous.)	57.3	53.0	8.1	54.7	51.2	6.8
Unemployment Rate	5.7[p]	6.4	-10.9	6.5	8.8	-26.0
Auth. Permit Construction (thous. of dol.)	10,318.4	46,249.2	-77.7	8,123.9	11,183.5	-27.4
New Dwelling Units (no.)	122	64	90.6	76.0	74.5	2.0
Postal Receipts[6] (thous. of dol.)	558.8	543.0	2.9	573.4	557.7	2.8
Electric Customers (residential)	50,676	50,014	1.3	50,324.0	49,583.5	1.5
Electric Customers (commercial)	4,696	4,451	5.5	4,535.3	4,414.8	2.7
Natural Gas Customers (residential)	46,805	46,232	1.2	46,576.4	45,762.6	1.8
Natural Gas Customers (industrial)	75	77	-2.6	75.9	77.6	-2.1
Telephone Lines in Service (Mt. Bell)(residential)	45,009	44,557	1.0	44,685.8	43,968.2	1.6
Telephone Lines in Service (Mt. Bell)(nonresidential)	10,275	10,176	1.0	10,253.9	9,931.2	3.2

Sources:
Personal Income: Bureau of Economic Analysis, U.S. Department of Commerce
New Corporations: Utah Secretary of State
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[1] Obtained from F.W. Dodge Statistics
[2] Obtained from Utah Construction Report
[3] Includes services by nonprofit and religious institutions
[4] Includes public schools and colleges institutions
[5] Beginning January 1984, the Net Electric Power utilized number includes the addition of Murray City Power Department's electric power utilization. This will cause an overstatement of the percent change in the 12-month average from 1983 to 1984.
[6] Postal receipts are reported every four weeks. Sales report for one month during each year includes total sales of two four-week periods. In 1984, this double-reporting occurred in the month of August.

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NATIONAL DATA

	June 1985	June 1984	% Change from Year Ago	12 Month Average 1985	12 Month Average 1984	12 Month Average % Chg.
U.S. Gross National Product[1] (seasonally adjusted)(bil.)(qtly.)	3,870.2[e]	3,644.7	6.2	3,783.5	3,494.1	8.3
Total Personal Income[1] (seasonally adjusted)(bil. of dol.)	3,176.1[r]	3,006.5	5.6	3,116.4	2,876.2	8.3
Industrial Production Indexes (seasonally adjusted)(1977=100)	124.7[r]	122.3	2.0	123.7	116.8	5.8
Total Bus. Expend. for New Plants & Equip.[1] (bil.)(qtly.)	385.3[ra]	348.3	10.6	371.2	330.2	12.4
Index of Leading Indicators[2] (1967=100)	168.0	166.7	0.8	166.0	164.1	1.2
Price Indexes						
Consumer Price Indexes (not seasonally adjusted)(1967=100):						
CPI-U (All Urban Consumers) All Items	322.3	310.7	3.7	316.8	304.9	3.9
CPI-U (All Urban Consumers) Food & Beverages	301.4	294.3	2.4	298.8	289.6	3.2
CPI-U (All Urban Consumers) Housing	350.4	336.2	4.2	343.1	329.4	4.2
CPI-U (All Urban Consumers) Transportation	321.8	313.1	2.8	316.3	306.5	3.2
CPI-U (All Urban Consumers) Medical Care	401.7	378.0	6.3	390.6	368.4	6.0
CPI-U (All Urban Consumers) Energy	436.8	428.5	1.9	424.0	423.6	0.1
Producer Price Index (not seasonally adjusted)(1967=100):						
Producer Price Index, All Finished Goods	na	290.9	na	na	288.6	na
GNP Price Deflator (1972=100)(qtly.)	230.9	222.3	3.9	227.7	219.3	3.8
Employment (seasonally adjusted):						
Civilian Labor Force (mil.)	114.8	113.9	0.8	114.6	112.6	1.8
Total Employed Persons (mil.)	106.4	105.7	0.7	106.2	103.2	2.9
Unemployment Rate	7.3	7.1	2.8	7.3	8.3	-11.7
Construction:						
Total Construction (mil. of dol.)	8,717.5	20,035.6	-6.6	17,730.9	17,059.5	3.9
Residential	8,819.4	9,879.4	-10.7	8,206.5	8,510.7	-3.6
Nonresidential	6,069.9	6,759.3	-10.2	6,303.3	5,624.7	12.1
Non-Building	3,828.2	3,396.9	12.7	3,221.1	2,945.0	9.4
New Dwelling Units (no.)	136,735	176,912	-22.7	136,723.6	153,744.5	-11.1
Interest Rates:						
Short Term (3-month Treasury Bill rate)	7.01	9.94	-29.5	8.8	9.2	-5.2
Long Term (30-year Treasury Bond yields)	10.36	13.00	-20.3	11.5	11.7	-1.6
Prime Rates Charged by Banks on Short-term Business Loans (ave.)	9.78	12.60	-22.4	11.4	11.3	0.8
Mortgage Rates (new homes)	11.31	11.61	-2.6	11.8	11.8	0.1

[p]Preliminary [r]Revised na - Not available [a]Anticipated [ra]Revised Anticipated [e]Expected [f]Forecasted

FOOTNOTES:

[1]The series on expenditures for new plant and equipment by U.S. nonfarm business has been revised for the period 1947 to date. These revisions reflect the source agency's introduction of new benchmarks, incorporation of information not available when the previously published estimates were prepared, and updating of industry and size classifications. Further information concerning these revisions may be obtained from the U.S. Department of Commerce, Bureau of Economic Analysis, Business Outlook Division, Business Conditions Digest, April 1985, p. iv.

[2]Excluding Series 36, 111.

Sources:

Business Conditions Digest, U.S. Department of Commerce: U.S. Gross National Product, Total National Personal Income, Industrial Production Indexes, Total Business Expenditures for New Plant and Equipment, Index of Leading Indicators, GNP Price Deflator, National Employment Data, Interest Rates.

F. W. Dodge Report, McGraw-Hill: National Construction Data.

Monthly Labor Review, U.S. Department of Labor: Producer Price Indexes.

Survey of Current Business, U.S. Department of Commerce: New Home Mortgage Rates.

Utah Labor Market Report, Utah Department of Employment Security: Consumer Price Indexes (data from Bureau of Labor Statistics).

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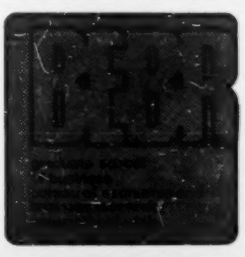

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